



Mr. Torrey Harding  
Diamond Foods, Inc  
1050 S. Diamond Street  
Stockton, CA 95201

**Re: Notice of Minor Title V Permit Modification  
District Facility # N-285  
Project # N-1160037**

Dear Mr. Harding:

Enclosed is the District's analysis of your application for minor Title V permit modification for the facility identified above. You proposed a Title V minor permit modification to incorporate recently issued Authority to Construct N-285-118-0 (under project N-1152312) to install 619 HP diesel fired emergency standby IC engine powering an electrical generator into the Title V operating permit.

Enclosed is the engineering evaluation with the following attachments: proposed modified Title V permit, recently issued Authority to Construct N-285-118-0, emission increases, and application. This project will be subject to a 45-day EPA commenting period prior to the District taking final action.

If you have any questions, please contact Mr. Nick Peirce, Permit Services Manager, at (209) 557-6400.

Thank you for your cooperation in this matter.

Sincerely,



Arnaud Marjollet  
Director of Permit Services

Enclosures

cc: Gerardo C. Rios, EPA (w/enclosure) via email

**Seyed Sadredin**  
Executive Director/Air Pollution Control Officer

**Northern Region**  
4800 Enterprise Way  
Modesto, CA 95356-8718  
Tel: (209) 557-6400 FAX: (209) 557-6475

**Central Region (Main Office)**  
1990 E. Gettysburg Avenue  
Fresno, CA 93726-0244  
Tel: (559) 230-6000 FAX: (559) 230-6061

**Southern Region**  
34946 Flyover Court  
Bakersfield, CA 93308-9725  
Tel: 661-392-5500 FAX: 661-392-5585

## **TITLE V APPLICATION REVIEW**

Minor Modification  
Project #: N-1160037

Engineer: Rupi Gill  
Date: March 15, 2016

Facility Number: N-285  
Facility Name: Diamond Foods, Inc.  
Mailing Address: 1050 S. Diamond Street  
Stockton, CA 95201

Contact Name: Torrey Harding  
Phone: 209-461-7315

Responsible Official: Torrey Harding  
Title: Director Operations

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### **I. PROPOSAL**

Diamond Foods is proposing a Title V minor permit modification to incorporate recently issued Authority to Construct N-285-118-0 (under project N-1152312) into the Title V operating permit.

The purpose of this evaluation is to identify all applicable requirements, determine if the facility will comply with the applicable requirements and to provide the legal and factual basis for the proposed revisions.

### **II. FACILITY LOCATION**

The equipment is located at 1050 S Diamond Street, Stockton, CA.

### **III. EQUIPMENT DESCRIPTION**

#### ATC Description:

**N-285-118-0:** 619 HP CATERPILLAR MODEL 2206D CERTIFIED TIER 3  
DIESEL-FIRED IC ENGINE

Proposed TV Permit:

Revisions to the description are shown below in **bold**.

**N-285-118-1: 619 HP CATERPILLAR MODEL 2206D CERTIFIED TIER 3  
DIESEL-FIRED EMERGENCY STANDBY IC ENGINE  
POWERING AN ELECTRICAL GENERATOR**

#### IV. SCOPE OF EPA AND PUBLIC REVIEW

This change to a Title V permit is considered to be a minor modification and, as such, requires no public review.

#### V. APPLICABLE REQUIREMENTS

District Rule 2520, Federally Mandated Operating Permits (Adopted June 21, 2001)

#### VI. DESCRIPTION OF PROPOSED MODIFICATIONS

Diamond Foods, Inc (Diamond) received Authority to Construct (ATC) to install a 619 hp Tier 3 diesel-fired emergency standby internal combustion (IC) engine powering an electrical generator. The engine will replace unit N-285-100, a 600 hp diesel-fired emergency standby internal combustion (IC) engine.

Diamond is now proposing to incorporate the above Authority to Construct permit into the facility Title V permit.

This section details the description of the modifications to the permit conditions.

Following conditions are removed and are shown in ~~strikethrough~~:

- ~~• The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Y~~

This application satisfies the above condition.

- ~~• Upon implementation of ATC, Permit to Operate N-285-100-3 shall be cancelled. [District Rule 2201] N~~

The above permit will be deleted upon completion of 45 day notice.

All relevant conditions that enforce 40 CFR 60 Subpart IIII and 40 CFR Part 63 Subpart ZZZZ will be revised to add rule reference pertaining to these subparts.

## VII. COMPLIANCE

In accordance with Rule 2520, 3.20, these modifications:

1. Do not violate requirements of any applicable federally enforceable local or federal requirement;
2. Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions;
3. Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;
4. Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject. Such terms and conditions include:
  - a. A federally enforceable emission cap assumed to avoid classification as a modification under any provisions of Title I of the Federal Clean Air Act; and
  - b. An alternative emissions limit approved pursuant to regulations promulgated under section 112(i)(5) of the Federal Clean Air Act; and
5. Are not Title I modifications as defined in District Rule 2520 or modifications as defined in section 111 or 112 of the Federal Clean Air Act; and
6. Do not seek to consolidate overlapping applicable requirements.

In accordance with Rule 2520, the application meets the procedural requirements of section 11.4 by including;

1. A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;
2. The source's suggested draft permit; and

3. Certification by a responsible official that the proposed modification meets the criteria for use of minor permit modification procedures and a request that such procedures be used.

## **VIII. ATTACHMENTS**

- A. Proposed Modified Title V Operating Permit N-285-118-1
- B. Authority to Construct N-285-118-0
- C. Emissions Increases
- D. Application

# ATTACHMENT A

Proposed Modified Title V Operating Permit  
N-285-118-1

# San Joaquin Valley Air Pollution Control District

**PERMIT UNIT:** N-285-118-1

**EXPIRATION DATE:** 12/31/2015

**EQUIPMENT DESCRIPTION:**

619 HP CATERPILLAR MODEL 2206D CERTIFIED TIER 3 DIESEL-FIRED EMERGENCY STANDBY IC ENGINE  
POWERING AN ELECTRICAL GENERATOR

## PERMIT UNIT REQUIREMENTS

1. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
3. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
4. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]
5. This engine shall be equipped with a non-resettable hour meter with a minimum display capability of 9,999 hours, unless the District determines that a non-resettable hour meter with a different minimum display capability is appropriate in consideration of the historical use of the engine and the owner or operator's compliance history. [District Rule 4702, 17 CCR 93115, 40 CFR 60 Subpart IIII, and 40 CFR 63 Subpart ZZZZ] Federally Enforceable Through Title V Permit
6. Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, 17 CCR 93115, 40 CFR 60 Subpart IIII, and 40 CFR 63 Subpart ZZZZ] Federally Enforceable Through Title V Permit
7. Emissions from this IC engine shall not exceed any of the following limits: 2.7 g-NOx/bhp-hr, 1.8 g-CO/bhp-hr, or 0.1 g-VOC/bhp-hr. [District Rule 2201, 17 CCR 93115, 40 CFR 60 Subpart IIII, and 40 CFR 63 Subpart ZZZZ] Federally Enforceable Through Title V Permit
8. Emissions from this IC engine shall not exceed 0.14 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, 17 CCR 93115, 40 CFR 60 Subpart IIII, and 40 CFR 63 Subpart ZZZZ] Federally Enforceable Through Title V Permit
9. This engine shall be operated and maintained in proper operating condition as recommended by the engine manufacturer or emissions control system supplier. [District Rule 4702] Federally Enforceable Through Title V Permit
10. During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rule 4702] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

11. An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. An engine shall be considered to be an emergency standby engine if it is used only for the following purposes: (1) periodic maintenance, periodic readiness testing, or readiness testing during and after repair work; (2) unscheduled outages, or to supply power while maintenance is performed or repairs are made to the primary power supply; and (3) if it is limited to operate 50 hours or less per calendar year for non-emergency purposes. [District Rules 2201 and 4702, 17 CCR 93115, 40 CFR 60 Subpart IIII, and 40 CFR 63 Subpart ZZZZ] Federally Enforceable Through Title V Permit
12. This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rule 4702] Federally Enforceable Through Title V Permit
13. The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702 and 17 CCR 93115] Federally Enforceable Through Title V Permit
14. This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rules 2201 and 4702, 17 CCR 93115, 40 CFR 60 Subpart IIII, and 40 CFR 63 Subpart ZZZZ] Federally Enforceable Through Title V Permit
15. The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115] Federally Enforceable Through Title V Permit
16. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702, 17 CCR 93115, 40 CFR 60 Subpart IIII, and 40 CFR 63 Subpart ZZZZ] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

DRAFT



# ATTACHMENT B

Authority to Construct  
N-285-118-0



**San Joaquin Valley**  
AIR POLLUTION CONTROL DISTRICT



## AUTHORITY TO CONSTRUCT

**PERMIT NO:** N-285-118-0

**ISSUANCE DATE:** 06/22/2015

**LEGAL OWNER OR OPERATOR:** DIAMOND FOODS INCORPORATED

**MAILING ADDRESS:** P O BOX 1727  
STOCKTON, CA 95201-1727

**LOCATION:** 1050 S DIAMOND ST  
STOCKTON, CA 95205

**EQUIPMENT DESCRIPTION:**  
619 HP CATERPILLAR MODEL 2206D CERTIFIED TIER 3 DIESEL-FIRED IC ENGINE

### CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
2. Upon implementation of ATC, Permit to Operate N-285-100-3 shall be cancelled. [District Rule 2201]
3. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
4. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
5. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
6. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]
7. This engine shall be equipped with a non-resettable hour meter with a minimum display capability of 9,999 hours, unless the District determines that a non-resettable hour meter with a different minimum display capability is appropriate in consideration of the historical use of the engine and the owner or operator's compliance history. [District Rule 4702 and 17 CCR 93115]
8. Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, and 17 CCR 93115]
9. Emissions from this IC engine shall not exceed any of the following limits: 2.7 g-NOx/bhp-hr, 1.8 g-CO/bhp-hr, or 0.1 g-VOC/bhp-hr. [District Rule 2201 and 17 CCR 93115]

CONDITIONS CONTINUE ON NEXT PAGE

**YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (209) 557-6400 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT.** This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO

  
Arnaud Marjollet, Director of Permit Services  
N-285-118-0: Jun 22 2015 4:18PM - EDGEHILL - Joint Inspection NOT Required

10. Emissions from this IC engine shall not exceed 0.14 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, and 17 CCR 93115]
11. This engine shall be operated and maintained in proper operating condition as recommended by the engine manufacturer or emissions control system supplier. [District Rule 4702]
12. During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rule 4702]
13. An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. An engine shall be considered to be an emergency standby engine if it is used only for the following purposes: (1) periodic maintenance, periodic readiness testing, or readiness testing during and after repair work; (2) unscheduled outages, or to supply power while maintenance is performed or repairs are made to the primary power supply; and (3) if it is limited to operate 50 hours or less per calendar year for non-emergency purposes. [District Rules 2201 and 4702, and 17 CCR 93115]
14. This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rule 4702]
15. The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702 and 17 CCR 93115]
16. This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rules 2201 and 4702, and 17 CCR 93115]
17. The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115]
18. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702 and 17 CCR 93115]

# ATTACHMENT C

## Emissions Increases

	SSIPE (lb/yr)				
	NOx	VOC	CO	SOx	PM10
N-285-118-1	187	10	122	0	7
<b>TOTAL</b>	<b>187</b>	<b>10</b>	<b>122</b>	<b>0</b>	<b>7</b>

# ATTACHMENT D

Application



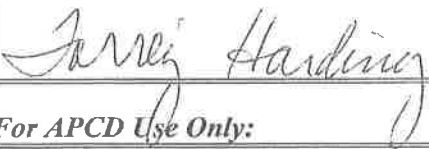
# San Joaquin Valley Air Pollution Control District

www.valleyair.org



## Permit Application For:

[ ] ADMINISTRATIVE AMENDMENT [X] MINOR MODIFICATION [ ] SIGNIFICANT MODIFICATION

1. PERMIT TO BE ISSUED TO: <b>Diamond Foods, Inc.</b>	
2. MAILING ADDRESS:  STREET/P.O. BOX: <u>1050 S Diamond Street</u>  CITY: <u>Stockton</u> STATE: <u>CA</u> 9-DIGIT ZIP CODE: <u>95201</u>	
3. LOCATION WHERE THE EQUIPMENT WILL BE OPERATED:  STREET: <u>1050 S Diamond Street</u> CITY: <u>Stockton</u>  _____% SECTION _____ TOWNSHIP _____ RANGE _____	INSTALLATION DATE:
4. GENERAL NATURE OF BUSINESS: <b>Nut Processing</b>	
5. DESCRIPTION OF EQUIPMENT OR MODIFICATION FOR WHICH APPLICATION IS MADE (include Permit #'s if known, and use additional sheets if necessary)  <b>N-285-118-0: Implement ATC</b>	
6. TYPE OR PRINT NAME OF APPLICANT: <b>Torrey Harding</b>	TITLE OF APPLICANT: <b>Director of Operations, Snacks</b>
7. SIGNATURE OF APPLICANT: 	DATE: <u>1-8-16</u>  PHONE: <b>(209) 461-7315</b> FAX: ( ) EMAIL: <u>THarding@diamondfoods.com</u>

**For APCD Use Only:**

DATE STAMP <b>RECEIVED</b>  <b>JAN 11 2016</b>  SJVAPCD	FILING FEE RECEIVED: \$ <u>20 —</u> CHECK#: <u>21526</u>  DATE PAID: <u>1/11/16</u>  PROJECT NO: <u>N-1160037</u> FACILITY ID: <u>N-285</u>
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Central Regional Office • 1990 E. Gettysburg Avenue • Fresno, CA 93726-0244 • (559) 230-5900 • FAX (559) 230-6061

**San Joaquin Valley  
Unified Air Pollution Control District**

**TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM**

**I. TYPE OF PERMIT ACTION (Check appropriate box)**

- ☐ SIGNIFICANT PERMIT MODIFICATION      ☐ ADMINISTRATIVE  
☒ MINOR PERMIT MODIFICATION      ☐ AMENDMENT

COMPANY NAME: <b>Diamond Foods, Inc.</b>		FACILITY ID: <b>N-285</b>			
1. Type of Organization:	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Sole Ownership	<input type="checkbox"/> Government	<input type="checkbox"/> Partnership	<input type="checkbox"/> Utility
2. Owner's Name:					
3. Agent to the Owner:					

**II. COMPLIANCE CERTIFICATION** (Read each statement carefully and initial all circles for confirmation):

- JH* Based on information and belief formed after reasonable inquiry, the source identified in this application will continue to comply with the applicable federal requirement(s).
- JH* Based on information and belief formed after reasonable inquiry, the source identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.
- JH* Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.
- JH* Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the forgoing is correct and true:

*Torrey Harding*  
Signature of Responsible Official

1-8-16  
Date

Torrey Harding  
Name of Responsible Official (please print)

Director of Operations, Snacks  
Title of Responsible Official (please print)